GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1872
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NATIONAL DEBT
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Will the Minister of FINANCE be pleased to state:

(a) whether internal as well as external debts of the country has been increasing during the last three years;

(b) if so, the details thereof; and

(c) the measures adopted/proposes to be adopted to reduce the said debts?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) and (b) Details of internal debt and external debt of the Central Government are given below:

	2004-05	2005-06	2006-07(RE)
	(Rs. crore)		
1.Internal liabilities #	1,933,544	2,165,902	2,434,329
2.External debt@	60,878	94,243	102,135
3.Total outstanding liabilities (1+2)	1,994,422	2,260,145	2,536,464
	(As per cent of GDP)		
1.Internal liabilities	61.8	60.7	59.0
2.External debt	1.9	2.6	2.5
3.Total outstanding liabilities	63.8	63.4	61.5

Source: Receipts Budget 2007-08.
Internal debt includes net borrowing of Rs 64,211 crore for 2004-05, Rs 29,062 crore for 2005-06 and Rs.70,000 crore for 2006-07(RE) under Market Stabilisation Scheme.
@ External debt figures represent borrowings by Central Government from external sources and are based upon historical rates of exchange.
Note: The ratio to GDP are based on CSO`s latest Estimates for GDP.

(c) : In order to reduce the carrying cost of outstanding debt burden of the Central Government following measures have been taken in the recent past:

(i) Buyback of high coupon Government securties contracted during the earlier high interest rate regime.
(ii) Utilisation of receipts under States Debt Scheme to repay high coupon special securities to National Small Savings Fund (NSSF).
(iii) Repayment of high cost external loans from bilateral as well as multilateral sources. External debt in excess of USD 6 billion have been prepaid during Fiscal Year 2002-03 and 2003-04 to World Bank, ADB and many bilateral sources.